

### Book Review: Sławomir Czech, Od konfliktu do kooperacji [From conflict to cooperation]

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Veröffentlichungsversion / Published Version  
Rezension / review

#### Empfohlene Zitierung / Suggested Citation:

Biernacka, M. (2020). Book Review: Sławomir Czech, Od konfliktu do kooperacji [From conflict to cooperation]. [Review of the book *Od konfliktu do kooperacji: Instytucjonalizacja konfliktu interesów zbiorowych w szwedzkim modelu gospodarczym*, by S. Czech]. *Studia z Polityki Publicznej / Public Policy Studies*, 7(1), 123-127. <https://doi.org/10.33119/KSzPP/2020.1.6>

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**Sławomir Czech, 2019, *Od konfliktu do kooperacji. Instytucjonalizacja konfliktu interesów zbiorowych w szwedzkim modelu gospodarczym*, Warszawa: Wydawnictwo Naukowe Scholar**

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**Streszczenie**

Jest to recenzja książki Sławomira Czecha pod tytułem *Od konfliktu do kooperacji. Instytucjonalizacja konfliktu interesów zbiorowych w szwedzkim modelu gospodarczym*, która ukazała się w 2019 roku nakładem Wydawnictwa Naukowego Scholar. Dotyczy ona tak zwanego „szwedzkiego modelu” gospodarki. Autor twierdzi, że w procesach jego budowy zazwyczaj wyolbrzymiane jest znaczenie związków zawodowych, a zarazem niedoceniana jest rola organizacji biznesowych. Poddaje on analizie kluczowe konflikty między: Szwedzką Socjaldemokratyczną Partią Robotniczą, związkami zawodowymi i organizacją pracodawców. W książce wysuwa hipotezę, że budowanie szwedzkich instytucji gospodarczych zgodnie z zasadami współpracy oraz szukanie kompromisu między najważniejszymi grupami nacisku sprzyjało rozwiązaniom, które przyczyniły się do wzrostu gospodarczego.

**Abstract**

This is a review of a book by Sławomir Czech titled *Od konfliktu do kooperacji. Instytucjonalizacja konfliktu interesów zbiorowych w szwedzkim modelu gospodarczym* [From conflict to cooperation. Institutionalisation of the conflict of collective interests in the Swedish economic model]. The book deals with the so-called ‘Swedish model’ of the economy. The author claims that while the significance of trade unions is usually magnified in its construction, the role of business organisations is underestimated. He analyses pivotal conflicts between the Swedish Social Democratic Party, the trade unions and the employers’ organisation. In the book he puts forward a hypothesis that constructing Swedish economic institutions in concordance with the principles of cooperation and seeking a compromise between the most important pressure groups fostered solutions that were beneficial in terms of economic growth.

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Slawomir Czech's book titled *Od konfliktu do kooperacji. Instytucjonalizacja konfliktu interesów zbiorowych w szwedzkim modelu gospodarczym* [From conflict to cooperation. Institutionalisation of the conflict of collective interests in the Swedish economic model] was published in the year 2019 by Wydawnictwo Naukowe Scholar. These are findings of the research conducted by the author on the Swedish economic model, and at the same time the continuation of his work on this subject matter, which resulted in a previous, historiographic work entitled *Gospodarka w służbie idei. Rzecz o modelu szwedzkim* [Economy in the service of ideas. The Swedish model] published by the University of Economics in Katowice, in which he presented the evolution of the Swedish economic policy in the context of progressive social reforms.

Czech (2019: 10) claims that while the significance of trade unions is magnified, the role of business organisations is usually underrated in the analyses of the Swedish economy. In the book he aims to demonstrate that business organisations were not to a lesser extent inductive to the evolution of the so-called 'Swedish model' than trade unions. The author puts forward a hypothesis that constructing Swedish economic institutions in concordance with the principles of cooperation and seeking a compromise between the most important pressure groups fostered solutions that were beneficial in terms of economic growth. What is more, it enabled maintaining political stability in the long run. On the contrary, adoption of a confrontational strategy based on a pursuit of particular interests would have incurred substantial economic and social costs.

The author analyses pivotal conflicts between: 1/ the Social Democratic Workers' Party of Sweden, referred to as the Social Democratic Party or simply the Social Democrats, 2/ the trade unions and 3/ the employers' organisation. Tensions between those pressure groups soared due to their discrepant visions concerning the rationale and scope of state intervention in the Swedish economy, especially with respect to the labour market and the government's economic policy. The intention of the Social Democrats to carry out a deep social transformation was considered highly controversial and contributed to conflict escalation. The author pays special attention to political and economic power of those actors and the properties of mediation institutions that participated in examining their interests and coordinating activities. Their power stemmed from holding control over principal economic resources, i.e. human work and capital and, in the case of the Social Democrats, their prepotency on the national political scene. He claims that the mediation processes determined the distribution of power, the level of political influence and the access to decision-making processes (op. cit. p. 12). The author makes an attempt to adopt an institutional approach with the aim of studying changes in a highly developed capitalist economy in contemporary Sweden. Nonetheless, he does not treat institutions as limitations or fixed and

stable rules, which is characteristic for this theoretical stance (Meyer, Rowan 2006; Scott, 1991: 165, 2013; Berthod, 2016: 2), but emphasises their instrumental character, i.e. the fact that they serve collective interests. Thus, their existence depends on the support of pressure groups. On a more specific level, the objective of the book is to explore mechanisms underlying the Swedish economic model, i.e. the principles of corporatism, which formally incorporates existing interest groups in the power mechanisms and makes them accountable for their share in the decision-making process. Moreover, Czech intends to portray a configuration of institutions which have governed the Swedish economic policy in the post-war period in the context of changing interests of the key actors (Czech, 2019: 12).

The book consists of an introduction, five chapters: 1/ Institutions and institutional analysis, 2/ Institutional architecture of the economy as a political choice problem, 3/ Identification of collective interests: trade union movement and business organisations in Sweden in the first half of the 20<sup>th</sup> century, 4/ Mediating institutions and coordination of collective interests, 5/ Crisis of corporatism and the new order in the economy, the concluding remarks, three annexes (1. The post-war programme of the workers' movement, 2. The Swedish political scene, 3. Basic macroeconomic and labour market indicators in Sweden), bibliography and an index of names.

The first chapter (pp. 17–62) is aimed at systematising institutionalism as an interdisciplinary research perspective. The author sets forth various conceptualisations of the notion of an institution with a special focus on particularity of the institutional approach in sociology, political science and economics. The second chapter (pp. 63–107) serves as a theoretical introduction to an empirical analysis which is presented in the remaining three chapters. Czech emphasises the importance of institutional architecture which serves as the immediate environment of economic processes and, as such, has a substantial impact on their effectiveness. He points out that explaining the nature of this order through economic factors, including a constant quest for maximising efficiency or social well-being, does not seem to be satisfactory. The author also draws attention to the matter of power division, as there are actors – including the ones in the domain of politics – who have the potential to shape and sustain formal institutions. He analyses it through the prism of classical institutional economics, relating to activity of pressure groups which operate with the aim of satisfying their own interests. He argues that conflicts between those groups lead to introducing new standards and rules of the game, thus, promote institutional change.

The third chapter (pp. 108–141) is dedicated to the formation process, objectives and the strategies of the three major interest groups that existed in Sweden in the era of industrialisation, i.e. trade unions, the Social Democratic Party and the employers' organisation. The author tries to identify the sources of their political and economic

power, as well as the channels of access to the processes of its execution. He claims that formation of an institutional framework of conflict of interests eventually became an integral feature of the existing order. Then, he presents the process of transformation from conflict to cooperation between the employers' organisation and trade unions as a part of a rational strategy which they had adopted in order to pursue their own interests. He claims that it was based on cooperation and mutual recognition of expectations instead of escalating the existing disagreements.

Czech dedicates the fourth chapter (pp. 142–181) of the book to the process of reconciling collective interests in the post-war period, which substantially affected the institutional order of the national economy. He describes power mechanisms that set in motion the elaboration of the economic policy, based upon the logic of corporatism which governed both the labour market and the state structure. He emphasises the importance of mediation institutions in reaching a consensus between the key actors and, thereby, enabled reconciliation of their interests. Those institutions have been crucial in the collective processes of order-setting and evolution of the institutional architecture of the Swedish economy. Convergence of their interests translated into durability of the adopted solutions and socio-economic achievements of Sweden in the post-war decades. The author argues that in many aspects the country's economic policy has been subordinated to the reproduction of the previously elaborated institutional system. In particular, policy guidelines and corporate ownership model facilitated economic growth through rational coordination of the objectives of interest groups and maintenance of a long-term compromise.

In the last chapter (pp. 182–221) the author analyses corporatist mechanisms of power execution, which have been eventually replaced with centralised wage regulations. He argues that such a transformation was a side effect of the pursuit of collective interests of the dominant groups. There came a moment when the trade unions and the Social Democratic Party reached a radicalisation stage, which eventually posed a threat to the business world. Therefore, commercial organisations decided to seek other ways to exert force on political processes. The author also outlines the process of creating a novel ideological narrative which resulted in profound institutional changes in the 1990s. He argues that it blazed a trail for a revival of certain institutions, while others have never been reactivated, and claims that the interests of trade unions and business organisations were of principal importance in that process.

On a more general level, the author addresses fundamental questions about the origins of economic institutions and the driving forces of their development, divided into the following stages: formation, duration, stagnation and change. He argues that it is not social utility but collective actions undertaken by interest groups that play a major role in the evolution of institutions. That is to say, interest groups strive

to shape institutions to such an effect that they can maximise their benefits. In other words, institutions are the means to accomplish the goals of the actors that have the power to alter the processes of their constitution and development. In other words, institutional evolution is strongly affected by such factors as power, interests and past decisions of the crucial actors, coupled with external circumstances and coin-cidences, all of which most economic theories seem to overlook, while overrating rational behaviour of the actors.

The book is highly recommendable for scholars specialising in the institutional theory, be it economists, sociologists or political scientists. It provides both a theoretical input to the field and an elaboration of an interesting case study of the Swedish economy.

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